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FEDERAL COMMUNICATIONS COMMISSION

9509 Hanover South Trail  
Charlotte, NC 28210  
August 13, 1997

Re: FCC Docket No. 94-129

Office of the Secretary of the Commission  
Federal Communications Commission  
1919 M Street, NW  
Room 222  
Washington, DC 20554

To the Secretary:

Enclosed are Comments on CC Docket Number 94-129, "Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers", in response to the Further Notice of Proposed Rule Making.

Sincerely,

Jim Veilleux  
President,  
VoiceLog LLC

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Before the  
Federal Communications Commission  
Washington, DC 20554

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In the Matter of

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Implementation of the  
Subscriber Carrier Selection

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CC Docket No. 94-129

Changes Provisions of the  
Telecommunications Act of 1996:

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Policies and Rules Concerning  
Unauthorized Changes of Consumers'  
Long Distance Carriers

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Comments of

James Veilleux  
VoiceLog LLC  
9509 Hanover South Trail  
Charlotte, NC 28210

VoiceLog LLC submits these comments on August 13, 1997 regarding Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers, CC Docket 94-129.

Summary

In this response, VoiceLog LLC offers an improved form of third party verification ("TPV") and shows how this form of TPV provides superior protection of consumer interests while reducing the costs and administrative burdens associated with traditional third party verification. In addition, VoiceLog shows how this form of TPV can be applied to preferred carrier ("PC") selection freezes to provide an appropriate balance between enhancing competition and protecting consumers. Finally, VoiceLog suggests that the FCC adopt rules regarding TPV which provide for more flexibility and accountability in implementing TPV, to enable TPV providers to enhance their offerings while controlling irresponsible or incompetent TPV service provisioning.

Third Party Verification

In this response, VoiceLog LLC shows how VoiceLog's process of third party verification described below ("the VoiceLog procedures") meets the verification needs of Section 258 of the Telecommunications Act to prevent slamming. VoiceLog is in the business of

providing recording services, including transaction verification services for interchange carriers. VoiceLog is confident that VoiceLog's procedures meet both the current FCC requirements for Third Party Verification embodied in Section 64.1000 (a) of the Commission's rules and meet the public policy goal of eliminating slamming. Nonetheless, in addition to this filing, we have asked and are expecting the opinion of the FCC's CCB Enforcement Division on this matter.

The VoiceLog procedures verify telecommunication carrier change authorizations by providing independent third-party recordings of scripted requests for the customer's oral authorization to a PIC change (read either by a carrier representative or by VoiceLog's interactive recording system) and the customers' responses. Sample scripts are provided at the end of this document.

In using VoiceLog, the carrier's representative sets up a three-way call between the customer, the carrier and the recording system. The VoiceLog system plays an announcement that the purpose of the conversation is to confirm the customer's order to change carriers and that the call will be recorded. There are then two separate implementations of the VoiceLog system.

In the first version, which we call "live-scripted", the system begins recording, at which point, the telephone company's representative asks scripted questions to confirm the necessary information about the customer's account and that the customer wishes to change his/her long distance carrier.

In the second version, which we call "auto-scripted", the system "asks" the scripted questions itself, recording the customer's responses both orally and through keyed-in responses, and reporting those responses to the carrier just as a human questioner would.

The VoiceLog system also generates a random identification number or uses the customer's telephone number, which the carrier representative enters into the customer record. The identification number is then used to locate the transaction recording when replay is needed.

## I. THE VOICELOG PROCEDURES EFFECTIVELY VERIFY CONSUMER PREFERRED CARRIER SELECTIONS.

A comprehensive review of the record and the resulting regulation at Section 64.1000 makes clear that the Federal Communications Commission's objective was to balance two competing objectives: to protect consumers from unauthorized PIC changes and to enable vigorous competition among interexchange carriers. This is why the Commission provided for four separate methods of verification and allowed carriers the choice of which method best meets their needs. The revised Telecommunications Act also places great value both on enhancing competition and protecting consumers, as does the current Commission.

Significantly, many commenters in slamming issues - especially those whose primary interest was in protecting consumers from unauthorized PIC changes - have historically supported written, signed confirmation as the preferred method of insuring that customer wishes

were followed. The problem cited by long distance companies with requiring a signature is that most consumers do not return the signed document<sup>1</sup>. The three other methods of verification provided by the FCC are that commission's attempt to provide choices that overcome the consumer's lack of cooperation with signed confirmation without sacrificing the objective of ensuring that customer wishes are followed.

A third-party recorded conversation with the customer stating his/her intention to change long distance carriers offers a superior alternative to a signed letter of authorization (LOA). It both provides unambiguous evidence that the customer agreed to the change and is more available than human operator third party verification. In particular, the VoiceLog procedures documented here ensure that the customer is informed properly and that the authorization is unambiguous.

In addition, VoiceLog can help protect consumer privacy interests, both by eliminating the need to ask invasive questions about social security number or date of birth for identity verification purposes and by the reducing the number of people exposed to that information if the questions are asked.

VoiceLog also furthers the FCC's objectives of encouraging vigorous competition. Because the VoiceLog system requires no capital investment for a carrier, is less expensive per transaction than human operator verification, and is administratively simple for carriers to implement, it eliminates unnecessary barriers to new entrants and costs which must ultimately be borne by customers.

### **1. The VoiceLog procedures provide superior protection against unauthorized telephone company changes.**

A. The VoiceLog procedures provide better notice to the consumer.

As the record of California SB 1140 points out, most slamming complaints result from written LOAs where the customer is unaware they are authorizing a long distance change:

The majority of slamming occurs when a customer unknowingly signs a document providing written consent to change long distance companies, either through misrepresentation or deception by the long distance company. ... Consequently [under this bill] a customer who unknowingly signs a document authorizing a change in long distance telephone company would be provided an opportunity to prevent the switch from happening...<sup>2</sup>

Because both the live-script and auto-script implementations of the VoiceLog system provide a recorded statement that the purpose of the recording is to document the customer's

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<sup>1</sup> We have other problems with signed authorization, including its inappropriateness for functionally illiterate consumers - a population currently estimated at 44 million adults (see "Survey of adult literacy", Society, Jan-Feb 1994 v31 n2 p2(2)). For these consumers, a recorded oral process is clearly superior both in its ability to provide notice as to the nature of the transaction and in its appropriate recording of the customer's consent.

<sup>2</sup> Bill Analysis, SB 1140, California Senate Rules Committee, 7/8/96, p.3

authorization to switch telephone companies, there is no doubt about the purpose of the transaction. Furthermore, since the statement is played to the consumer verbatim and can be provided in any language, there is less opportunity for ambiguity or misunderstanding than with a human operator third party verification process, which relies on a human operator to read the appropriate notification.

B. The VoiceLog procedures provide a better record.

Audio records provide a verbatim record as complete as any written authorization. In addition recordings provide more information than human operator third party verification, such as indications of the customer's state of mind (is the customer confused? do they understand the request the carrier is making?), as well as the carrier's method of obtaining the consent. In fact, the audio recording provides more information than a written record, and certainly more information than human operator verification:

From the perspective of the legal system as a whole, there is an important substantive advantage to the use of audio recordings as evidence. To the degree that an audio recording offered in evidence presents a fair and accurate aural record, it improves the overall means by which information is communicated to the trier of fact. *In other words, it permits the trier of fact to directly experience a nearly exact, electronically recorded, representation of those sounds, whether speech or otherwise, which are deemed relevant and admissible. Thus, the trier of fact's direct exposure to the voice characteristics and response-time patterns of those whose voices are recorded represents a vast increase in both the quantity and quality of information communicated when compared to a witness recalling what he or she heard... As one court wrote, "Human nature and memories being what they are, the tape would ordinarily be the most accurate evidence of what occurred in the conversation."*<sup>3</sup>

Since most human operator third party verification systems use call centers whose employees handle hundreds of verification calls each week, there is little chance that the operators in these centers can recognize the customer's voice or even remember the specific conversation.

There are other aspects to the quality of the record. Unlike human operator verification, the procedures described here are not subject to variations in quality as among human verifiers. Compared to all but signed authorization, recordings are not as likely to be erroneously denied by consumers (a problem cited by many interexchange carriers). Finally, they are not as subject - as the mailed confirmation process is - to the vagaries of delivery in the US Mail.

C. The VoiceLog procedures provide a better audit trail for carriers' internal management.

In the VoiceLog system, each recording is assigned an identification number and is date and time stamped. Recordings are stored in duplicate on electromagnetic hard disks and are archived on magnetic tape each night. Recorded conversations are available for instant retrieval by touch-tone telephone for four months and then 24 hour retrieval for the next 32 months.

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<sup>3</sup> Gruber, Poza & Pellicano, "Audio Recordings: Evidence, Experts and Technology", *Am Jur Trials*, 48:1, 164-165

Because VoiceLog audio recordings are verbatim and easily retrieved, carriers can monitor the dialogue between customers and questioner (whether the sales representative or the system) directly. This makes it easier to spot attempts at circumvention. For example, we have heard of telemarketing representatives recruiting associates to impersonate customers. Sequential replay of a specific telemarketing representative's confirmation calls would enable a supervisor or quality control manager to recognize the same "customer" voice across calls, enabling the carrier to better control its personnel. The use of statistical sampling techniques is also made easier with the VoiceLog process, since calls can be easily retrieved at random. Other technologies, such as speaker verification - discussed below - can also be applied to check for sales fraud.

D. The VoiceLog procedures discourage deceptive telemarketing behavior.

Beyond the telecommunications carrier's internal controls, VoiceLog also provides a number of procedures which help to ensure that the customer is making an informed and intentioned choice.

First, the "auto-script" process controls how the transaction is presented to the customer. Currently, there is little specification in the current regulation of how the verification process should be conducted. For example, third party verification practice with some carriers is for the telemarketing rep to stay on the line and tell the verifier what the customer is buying. The verifier then asks the customer if the information provided by the telemarketer is correct. To the extent that a telemarketer wished to distort the results, they might do so in their description of the customer's order. Although nothing in the current regulation prevents this, VoiceLog's use of a verbatim announcement played during the transaction insures that the customer is properly informed of the transaction's purpose.

Second, the VoiceLog procedures can insure that the verification is conducted in the customer's preferred language. Again, there is currently no language requirement for TPV as there is for written LOAs. A carrier could make the sale in Spanish and conduct the verification in English, limiting the ability of an Hispanic consumer to ask questions. With the "live-script" process, the representative asks the questions in the same language as the sale was made. In the "auto-script" process, it is very simple to provide verification services in any language in which a sale can be made. (VoiceLog can even be adapted to do verifications using TTY devices for the hearing impaired.)

Third, at least in the case of the "auto-script" process, the VoiceLog process is inherently consistent and subject to rigorous post-hoc scrutiny. Current rules provide no criteria, other than "independence", for third party verifiers. Verifiers who offered more lenient processes might win contracts with some carriers over other verifiers because the telephone company would anticipate a higher confirmation rate, even in the absence of a compensation plan based on confirmed sales. Although VoiceLog cannot prevent this bias in the marketplace, VoiceLog's procedures insure that the process of obtaining the customer's authorization is subject to complete review.

Finally, third party recordings can employ speaker verification technology, which compares "voice prints" from recordings to identify duplicate voices in separate customer orders. Such a process can eliminate the recruiting of customer impersonators by telemarketing representatives, since these impersonators almost always pretend to be multiple customers. VoiceLog has identified a number of companies supplying speaker verification technology and plans to implement the technology by November 1997. With human operator TPV, the operator verifier has no way to know whether the "customer" is in fact the actual consumer. Impersonators could only be detected after a customer complaint, offering no more protection than a comparison of signatures against a forged LOA.

There is another reason why a third party recording process will deter forgery. Inherently, because of the additional time required in a third party recording process - approximately two minutes - such forgery is much less convenient than with written LOAs, which require a few seconds per LOA. Thus, the efficiency of forgery is reduced by at least a factor of ten. This rationale, of course, applies to human operator TPV as well.

E. Third-party recordings are comparatively free from manipulation.

By manipulation, we mean falsification or fabrication of customer consent.

All four methods of verification are subject to falsification - signatures can be forged, the records of electronic verification can be fabricated, human operator third party verification can be manipulated a number of ways, and the mail verification process is highly vulnerable to fraud, since there is no audit trail to US Mail delivery.

Audio recordings can also be manipulated, but manipulation is expensive and requires special equipment, discouraging would-be fabricators.<sup>4</sup> In addition, the requirement to administer the system by a third party greatly reduces the probability of tampering. Possession by a third party also assists in laying the foundation for the admissibility of the recording as evidence, by establishing the "chain of custody".<sup>5</sup> Finally, the easy accessibility of recordings for review and simple comparison of voices makes detection of customer impersonators easier.

F. VoiceLog records can be efficiently accessed and reviewed when necessary.

In those instances in which a customer has a question regarding his/her PIC change authorization, or challenges whether he or she provided such authorization, the nature of the recording system allows for rapid and convenient review using any telephone. This allows carriers to play back transactions to customers or regulators very quickly, without having to fax or mail copies of documentation. In contrast, human operator verifiers may not be available due to employee turnover and, in any case, the record is far less complete.

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<sup>4</sup> For an excellent discussion of manipulation of audio recordings, see Gruber, Poza & Pellicano, 168-300

<sup>5</sup> Gruber, Poza & Pellicano, 563-4

As one observer noted in a different context: "A VoiceLog audio recording of a telephone transaction offers many advantages over other methods of verification. The recording process helps the client to understand the nature of the transaction, it provides for faster order fulfillment and allows the customer, the bank and regulators to access the information at anytime."<sup>6</sup>

## **2. The VoiceLog procedures enhance consumer privacy protection.**

### **A. VoiceLog can eliminate the need to require personal information.**

When the original third party verification requirements were developed six years ago there was no assumption that the verification conversation would be recorded. The requirement to obtain verification information, such as social security number, was designed to protect against fraud and to confirm the identity of the customer.

The irony of requiring social security number or date of birth - which are the standard verification questions used in the industry - is that these data do not protect against fraud. Databases of consumers' names with social security number and date of birth are now easily obtained through credit bureaus and other sources. Adding another requirement to provide this type of information further erodes consumer privacy interests by creating additional databases with private data and additional instances in which consumers are expected to provide this information over the telephone. In addition, current industry practice means that thousands of verification personnel - whose training does not necessarily cover consumer privacy interests - are exposed to customer's personal identification information.

Now, with the development of modern digital recorders, it is technically and economically feasible to record every verification conversation and to have those recordings available for instant retrieval. These voice recordings - as long as they capture a large enough sample of the customer's voice - can be used to verify the customer's identity through a simple audio comparison of the recording to the live customer's telephone voice. If necessary, speaker verification technology can also be used to verify the customer's identity.

The VoiceLog procedures, then, could enhance consumer privacy in two ways. First, by eliminating the need to request private information from consumers for verification purposes. Second, by eliminating the need for a third human being in the transaction, VoiceLog reduces the number of people exposed to such information.

## **3. The VoiceLog procedures enhance vigorous competition.**

### **A. VoiceLog requires no capital investment for carriers.**

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<sup>6</sup> "Accelerated Payment Systems and VoiceLog Announce Market Test Agreement", PR Newswire, August 15, 1996



Since VoiceLog operates as a service bureau, all that is necessary to use the service is a touch-tone telephone capable of three-way calling. There is no additional equipment required. Although VoiceLog is the leading provider of third party recorded verification services, there are other companies providing somewhat similar services, ensuring suppliers for any carrier who wishes to use this type of service.

B. VoiceLog is less expensive than human operator third party verification.

VoiceLog-recorded oral authorizations are far less expensive than human operator third party verification, averaging \$0.45 - \$0.85 per transaction, compared with human operator verification, which can often cost up to \$4.00 or more per transaction. This increases the opportunity for other telecommunications companies to compete and lowers a cost of doing business which would have to be passed on to consumers. As a side benefit, the lower cost of verification will enable carriers to economically implement third party verification for inbound telemarketing sales, as suggested by the FNPRM.

C. VoiceLog is administratively simple.

VoiceLog can use either randomly generated identification numbers or the customer's telephone number for record retrieval. All the carrier needs is the ability to receive the confirmation record, much as it does with human operator verification today, and the customer's telephone number, which is already part of its records. There is little, if any, additional work required.

D. VoiceLog can easily be applied to PC freezes.

The VoiceLog procedures can easily be adapted to provide a convenient alternative to customer direct action in the case of a PC freeze.

Instead of requiring that the customer contact the carrier administering the freeze directly, consumers could record their instructions to that carrier to lift the PC freeze and effect the change to the desired carrier. The carrier with the customer order could then establish a three-way call and play the recording back to the carrier controlling the freeze. If the controlling carrier required certain identification information, that could be included in the recording.

To ensure consumer protection, the Commission could explicitly mandate language both in the notification and in the questions asked to ensure full customer awareness of the implications both of PC freezes and of changes in a PC freeze situation. Using the VoiceLog process would guarantee that these notifications and questions were played to the customer verbatim. In addition, the Commission could require that the PC freeze process be conducted in the preferred language of the subscriber.

From a communication perspective, there is little value to be gained from having the customer call the controlling carrier directly versus providing instructions indirectly using a recorded authorization. The customer would still provide the necessary instructions in his or her

own voice. The customer would still provide whatever identifying information was required by the controlling carrier. From a fraud control perspective, there is little reason to believe that this process would be more subject to fraud than the current methods the controlling carrier uses to control customer authorizations for PC freezes.

From the customer's perspective, it would be much more convenient to avoid having to make the additional call to the controlling carrier. Since customers would find it easier to authorize PC changes, they would be more likely to do so, enhancing competition.

## II. COMMISSION RULES SHOULD PROVIDE FLEXIBILITY FOR TECHNOLOGICAL ADVANCES IN VERIFICATION PROCEDURES WHILE PROTECTING CONSUMER INTERESTS

VoiceLog has been providing third party verification services using the VoiceLog procedures since mid-1996. Although we believe that we meet the Commission's rules (see section III below), we have found reluctance by some carriers to adopt VoiceLog processes, primarily out of a concern about regulatory compliance.

In our view, the current third party verification rules are very permissive, but do not, ironically, provide sufficient guidance for carriers to determine whether they are in compliance.

Here are some of the difficulties we find in the current FCC rules:

- No script is specified and the content of the script is not specified other than requiring the confirmation of the order and "appropriate verification data".

First result: most carriers ask for a business customer's social security number or date of birth (the examples provided of "verification data"). This is completely inappropriate, since the individual providing such data is an employee who may not even be an employee when a dispute arises. Furthermore it is an encroachment on the employee's privacy and appears to many employees to be irrelevant to a business telecommunications service account.

Second result: carriers are confused about whether they can discuss the pricing or promotional offer made to the customer in the verification process. Carriers who do not include this information may be subject to charges of misleading the customer. Carriers who do include this information may be accused of offering inducements to the customer during verification.

Third result: many carriers are confused about whether their representatives (or the verification representative) can answer customer questions during the verification process. Most verification companies require that the verification representative terminate the call with the questioning customer and the telemarketing representative

answers the questions of the customer, then reestablish the verification call, almost always from the beginning of the process. This is an unnecessary burden on the customer, which both is awkward and wastes the customer's time.

- There are no language requirements for third party verification, as there are with written LOAs. It is possible, although rare, that a customer can be sold in one language, then confirmed in English, putting the customer at a significant disadvantage.
- There is no definition provided for what is an "appropriately qualified" or "independent" third party. Furthermore, independent third party verifiers are not accountable to anyone except their clients, who are the potential source of the slamming problem in the first place.
- There is no requirement for any particular form of record from third party verification. This is ironic, since the overwhelming form of dispute resolution appears to be to review the audio recording of the transaction.
- The current rules constrain innovation in verification procedures. For example, VoiceLog would like to replace obtaining a customer's social security number or date of birth with simply capturing the customer's "voice print", which could then be used in speaker verification. This would enhance consumer privacy while providing a more reliable form of customer identification. The regulation, which does not contemplate speaker verification technology, does not, on its face, permit this.

VoiceLog believes that there are many new verification processes being developed by VoiceLog and some of its competitors which can enhance the verification process, make it less subject to certain types of fraud and reduce costs to carriers. We therefore suggest the Commission adopt rules which can accommodate these types of innovations:

**1. Verification scripting should specify the minimum information necessary to detail the transaction, confirm the subscriber's agreement, and obtain subscriber verification information.**

Rather than requiring "appropriate verification data", the rules should require that the verification process confirm the customer's identity, address, telephone number or numbers, the customer's understanding of the transaction to which they are agreeing, and include a method for confirming the customer's identity in the case of a dispute. If the Commission wants to exclude certain discussions from the verification process, those should be explicitly stated.

**2. Verification processes should not exclude potentially promising new technologies which are not yet contemplated. The Commission should adopt a procedure which allows for verification methods to be added without a full Rule Making proceeding.**

As illustrated by the example of speaker verification, there are methods of third party verification which may not be contemplated by whatever rules are adopted. The Commission should provide for a method to allow such new methods to be approved without waiting for a full Rule Making.

**3. The role of the independent third party verification company should be clear but flexible.**

Independent verification companies should be permitted to provide basic information to answer customer questions. In addition, the verification process should be flexible enough to permit the carrier to answer customer questions without requiring that the verification process stop and be restarted every time a question is asked. Explicitly permitting telemarketing representatives to stay on the line - with whatever controls the Commission deems necessary - should accommodate this need.

**4. Third party verification companies should be subject to a process by which they may be excluded from providing third party verification services.**

Given the opportunities for collusion, misfeasance or malfeasance by third party verification companies, it would seem appropriate that the Commission provide for a method by which a verification company can be prohibited from providing services. We would not encourage a restrictive licensing process, which might inhibit competition and innovation, but we would encourage a review process that provides for sanctioning verifiers who fail to provide services with integrity.

III. VOICELOG SATISFIES THE REQUIREMENTS OF 47 CFR 64.1100

Although we would like the Commission to explicitly acknowledge the use of third party recordings as a form of third party verification, we believe that the VoiceLog procedures meet existing requirements for third party verification.

47 CFR Section 64.1100 (c) describes the third-party verification procedure by which a carrier may meet its obligation to verify PIC changes:

(c) An appropriately qualified and independent third party operating in a location physically separate from the telemarketing representative has obtained the customer's oral authorization to submit the PIC change order that confirms and includes appropriate verification data (e.g. the customer's date of birth or social security number); or...

As we read the regulation it contains five requirements: (1) the third party is "appropriately qualified", (2) it is independent, (3) it operates in a location physically separate from the telemarketing representative, (4) it has obtained the customer's oral authorization, and (4) the authorization confirms and includes appropriate verification data. In our opinion, the VoiceLog procedures meet all five of these requirements.

### **1. The VoiceLog system is “appropriately qualified”.**

In the NPRM from which the FCC rule was developed (Docket 91-64), the only qualification listed is that the verifier be capable of handling large volumes of transactions, which the VoiceLog system can easily do - current capacity for the system provides for over 5,000 transactions per hour, and additional capacity can easily be added.

More generally, recording systems are well established in the law as an appropriate means of documenting transactions:

Audio recordings, unlike video recordings, have long been regarded as independent, substantive evidence, and those recordings that are a fair representation of a transaction, conversation, or occurrence are generally admissible. In principle, therefore, there is no reason why audio recordings might not be used as substantive evidence in virtually every type of legal context, including, but not limited to criminal and civil lawsuits, administrative hearings, arbitrations [sic], and local government hearings.<sup>7</sup>

A recent example of the use of audio recordings by regulators is the Federal Trade Commission's Telemarketing Sales Rule<sup>8</sup>, which provides for recordings as documentation of a customer's oral authorization to have his or her checking account debited. The Kentucky Public Service Commission has also recently required recordings as part of the third party verification process for PIC changes in that state<sup>9</sup>.

### **2. The VoiceLog system is independent.**

The VoiceLog system is a recording service bureau, operating on a contract basis to interexchange carriers. There is no ownership interest by the carriers in the service bureau, nor does VoiceLog provide any telemarketing services for IXC's.

### **3. The VoiceLog system operates in a location physically separate from the telemarketing representative.**

The VoiceLog system is based in Minneapolis, Minnesota - far from the vast majority of IXC telemarketers. Any future VoiceLog locations will also be separate from IXC telemarketing operations.

### **4. The VoiceLog system obtains the customer's oral authorization.**

Again, the proof of VoiceLog's "obtaining" is in its possession of the authorization - a possession which is far superior to a computer notation record. Note also that the FCC's Report and Order, which issued the third party verification rule, emphasized that the purpose of the third

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<sup>7</sup> Gruber, Poza & Pellicano, "Audio Recordings: Evidence, Experts and Technology", Am Jur Trials, 48:1, 139-140.

<sup>8</sup> 16 CFR Section 310.3(a)(3)(ii).

<sup>9</sup> 807 KAR 5:062. Note that the regulation uses the term "electronic verification" and is somewhat unclear. Commission staff have informed VoiceLog that recording was the intention of the new regulation.

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party process was that the "evidence" be independent of the telephone company<sup>10</sup>. The evidence, which is the recording, is independently possessed and can be produced independently of the telephone company.

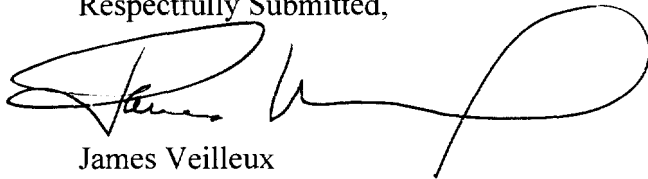
**5. The authorization obtained by VoiceLog confirms and includes appropriate verification data.**

VoiceLog's scripting follows that used today in human operator verification<sup>11</sup>.

Summary & Conclusion

VoiceLog LLC has requested that the California legislature provide specifically for the VoiceLog procedures outlined here so that carriers who use the VoiceLog procedures in good faith may do so without uncertainty regarding compliance, whether the scripted authorization questions are asked by a carrier representative or by the VoiceLog system.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'James Veilleux', written over a horizontal line.

James Veilleux  
President, VoiceLog LLC

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<sup>10</sup> FCC Report and Order, FCC 91-398, December 12, 1991

<sup>11</sup> (Note: it appears that AT&T and MCI use different scripts from those originally presented in docket 91-64. We have recently been telemarketed and verified both by AT&T and MCI and noted these differences: (1) we were transferred to the third party verifier by the telemarketer, rather than called independently after the telemarketing call, (2) the verifier did not identify himself as being from a separate company.)

Appendix #1 - Sample Script With Telemarketing Representative Asking Questions

Carrier representative: Mr. Customer, for your protection, I need to confirm that you do want to change your long distance carrier to XYZ Long Distance, by recording your authorization. The FCC requires proof of authorization to protect you. Would you please hold while I activate the recording system?

Recording system: *Thank you for calling the VoiceLog system. The VoiceLog system is designed to confirm your decision to change long distance carriers. After the tone, this conversation will be recorded and the answers you provide will be used to verify your order to change your long distance carrier.*

Carrier representative: OK, Mr. Customer, please state your name and telephone number:  
**Customer response.**

Carrier representative: And are you the authorized person to determine which long distance carrier is assigned to that telephone number?  
**Customer response.**

Carrier representative: Mr. Customer, I want to confirm that you do, in fact, wish to change your long distance carrier to XYZ Telecommunications Corporation. Is that right?  
**Customer response.**

Carrier representative: I also need to confirm your understanding that the local telephone company will charge you a fee for changing your long distance company, and that XYZ Telecommunications will send you a check to pay for the change fee. Do you understand this?  
**Customer response.**

Carrier representative: And could you state your address?  
**Customer response.**

Carrier representative: OK, last, for identification purposes, I need your social security number or the month and date of your birthday.  
**Customer response.**

Carrier representative: Thank you for your help, Mr. Customer, you may want to note the confirmation number that the system will now give us. #

Recording system: *Your VoiceLog confirmation number is XXXXXXXX.*

Carrier enters confirmation number in the customer's record.

Carrier representative: Thank you very much, Mr. Customer.

## Appendix #2 - Sample Script Using System Generated Questions

Carrier representative: Mr. Customer, for your protection, I need to confirm that you do want to change your long distance carrier to XYZ Long Distance, by recording your authorization. The FCC requires proof of authorization to protect you. I will now transfer you to an automated system that will ask you some questions and record your answers. Would you please hold while I activate the recording system?

VoiceLog system: *Thank you for calling the VoiceLog system. The VoiceLog system is designed to confirm your decision to change long distance carriers. After the tone, this conversation will be recorded and the answers you provide will be used to verify your order to change your long distance carrier. Please follow the prompts. Using the touch-tone key pad, please enter your ten digit telephone number.*

**Customer response:**

VoiceLog system: Please state your name and telephone number:

**Customer response.**

VoiceLog system: Please say "yes" if you are the authorized person to determine which long distance carrier is assigned to this telephone number?

**Customer response.**

VoiceLog system: To confirm that you do, in fact, wish to change your long distance carrier to XYZ Telecommunications Corporation, please say "yes".

**Customer response.**

VoiceLog system: To confirm your understanding that the local telephone company will charge you a fee for changing your long distance company, and that XYZ Telecommunications will send you a check to pay for the change fee, please say "yes".

**Customer response.**

VoiceLog system: Please state your address.

**Customer response.**

VoiceLog system: Last, for identification purposes, please state the last four digits of your social security number or the month and date of your birthday.

**Customer response.**

VoiceLog system: Thank you for using the VoiceLog system. Your confirmation number is your telephone number. If you wish to review this transaction, you may call XYZ Long Distance and ask them to replay the recording using your telephone number.



### Appendix #3

#### Third Party Verification Requirements

##### 47 CFR Section 64.1100

No IXC shall submit to a LEC a primary interexchange carrier (PIC) change order generated by telemarketing unless and until the order has first been confirmed in accordance with the following procedures:

...or

(c) An appropriately qualified and independent third party operating in a location physically separate from the telemarketing representative has obtained the customer's oral authorization to submit the PIC change order that confirms and includes appropriate verification data (e.g. the customer's date of birth or social security number); or...